



## Public Finance

### **Old Pension Scheme to be restored for central govt employees? Finance Ministry replies as R'sthan, Punjab, Chhattisgarh back on OPS**

The demand to bring back the Old Pension Scheme (OPS) for central government employees has once again come under the spotlight in Parliament, especially after the tepid response to the Unified Pension Scheme (UPS) despite multiple deadline extensions. According to official data shared in the Lok Sabha, only 1.22 lakh central government employees have opted for UPS out of nearly 23 lakh eligible employees, even after the government extended the deadline till November 30. The low uptake has strengthened demands from employee unions and opposition MPs for a return to OPS, which guarantees a fixed pension linked to last drawn salary. (*Financial Express*)

### **8th Pay Commission: Will pensioners stop getting DA hikes under new Finance Act 2025? Govt clarifies**

Since the Indian government set up their 8th Pay Commission to re-evaluate the salaries for the central government employees, people have raised questions about their pensions, payments and dearness allowances (DA). In a recent post on X, the government addressed a message circulating on social media that claimed pensioners will stop getting DA hikes under the new Finance Act 2025. On Saturday, 13 December 2025, the central government issued a clarification that a message has been circulating on the social media messaging platform, WhatsApp, which alleged that the central government has withdrawn post-retirement benefits for pensioners under the Finance Act 2025. (*Mint*)

### **Govt's decision to swap high interest borrowings with low interest ones pays dividends**

The State Government's decision to reschedule higher interest borrowings with lower interest ones paid dividends as the Union Finance Ministry has permitted the State to go for additional borrowings this financial year to meet its immediate financial requirements. The State can raise Rs. 71,400 crore during the current fiscal, Rs. 17,000 crore over and above the Rs. 54,009 crore fixed at the commencement of the financial year, giving the Finance department the much needed respite to fulfil commitments for schemes like Rythu Bharosa. (*The Hindu*)

### **Focus will be on managing debt levels & fiscal consolidation: FM Nirmala Sitharaman**

Finance minister Nirmala Sitharaman on Wednesday said managing debt levels alongside fiscal consolidation will be the government's core focus from the next financial

year, while asking states to rein in borrowing amid concerns over rising debt-to-gross domestic product (GDP) ratios. Speaking at the Times Network India Economic Conclave, presented by IDFC First Bank, Sitharaman cautioned that worrisome debt levels in some states could threaten India's 10-year growth momentum under the Viksit Bharat 2047 vision. *(The Economic Times)*

### **Union govt reducing its contribution in various schemes: TN Fin min on MGNREGA changes**

Tamil Nadu minister Thangam Thennarasu on Wednesday accused the Union government of shifting the financial burden onto states with the changes in a proposed new rural employment initiative seen as a replacement to the existing MGNREGA. Addressing reporters here, the state Finance minister said Tamil Nadu's Gross State Domestic Product (GSDP) has risen from Rs 26.88 lakh crore in 2023-24 to Rs 31.11 lakh crore in 2024-25, reflecting a growth rate of 16 percent. *(ThePrint)*

### **Indian economy transitioned from external vulnerability to resilience; public debt needs to be cut: Nirmala Sitharaman**

India's economy has moved from a state of fragility in 2013 to become the fastest growing major economy for multiple years now, showing its transition from external vulnerability to external resilience, finance minister Nirmala Sitharaman told the Parliament on Monday. Replying to the debate on the first supplementary demands for grants in the Lok Sabha, the minister also said that collective work was needed to reduce debt at central and state levels. Sitharaman told the House that India's current account deficit was only 0.6% of its gross domestic product (GDP) in FY25 and that foreign exchange reserves are not dependent on volatile capital flows. *(Mint)*

### **11 States' debt-to-GSDP ratio expected to cross 35% in FY26**

As many as 11 States are estimated to see debt as a ratio of GSDP (Gross State Domestic Product) to touch 35 percent or more in the current fiscal year (2025-26), data presented in Rajya Sabha on Tuesday showed. Data, as part of a written response by the Minister of State in the Finance Ministry, Pankaj Chaudhary, showed that Arunachal Pradesh has highest debt-GSDP ratio followed by Punjab and Himachal Pradesh. Meanwhile, Chaudhary said that all States have enacted their Fiscal Responsibility and Budget Management (FRBM) Act. Compliance to the State FRBM Act is monitored by the respective State legislatures. *(BusinessLine)*

### **Centre has set clear goals in fiscal management transparency, states should follow suit: FM**

Finance Minister Nirmala Sitharaman on Wednesday said the Centre has set clear goals for transparency in fiscal management and brought down its debt levels, and called upon states to implement the same. Speaking at the Times Network India Economic Conclave, Sitharaman said from next financial year debt levels will be the core focus area, along with fiscal deficit, and nudged states to lower their debt levels so that the country can achieve its goal of becoming a developed nation by 2047. *(BusinessLine)*

### **States' fiscal deficit rise to 3.2% in FY25: ICRA**

The combined fiscal deficit of 19 large Indian states, excluding north-east states and Goa, has increased to 3.2% of gross state domestic product (GSDP) in FY25 provisional actuals (PA) from 2.8% in FY22 due to dual pressures of higher revenue deficits and elevated capital spending, a report by ICRA on state government finances revealed. Despite an increase in welfare spending, these states' combined revenue deficit edged up only mildly to 0.7% of GSDP in FY25 PA, from 0.5% in FY22. The capital expenditure as a proportion of GSDP of 10 of the 19 states improved between FY22-FY25 PA. (*Financial Express*)

### **Ensure Escoms reduce AT&C losses, CAG recommends to govt.**

The Comptroller and Auditor-General of India which audited the Integrated Power Development Scheme (IPDS) in Karnataka has recommended that the State government ensure that the Electricity Supply Companies (Escoms) reduce the Aggregate Technical and Commercial (AT&C) losses as per the trajectory fixed by the Union Ministry of Power (MoP). The CAG found that while the approved cost (including PMA charges of ₹6.87 crore) of the IPDS was ₹1,378.44 crore and the awarded cost was ₹1,721.19 crore., the Escoms incurred the actual expenditure of ₹ 1,489.33 crore (as of March 2023), i.e., Escoms incurred excess expenditure of ₹ 110.89 crore than the sanctioned cost in implementing the scheme, which included additional expenditure to the extent of ₹ 38.52 crore due to non-procurement of materials at Central Procurement Prices discovered by MoP. (*The Hindu*)

### **LS passes supplementary demands for grants for additional spending of Rs 41,455 crore in FY26**

The Lok Sabha on Monday passed the first batch of Supplementary Demands for Grants, authorising the government for Rs 41,455 crore additional spending in the current fiscal, including over Rs 18,000 crore expenditure towards fertiliser subsidy. The lower house passed the first batch with gross additional expenditure of Rs 1.32 lakh crore. This includes proposals with a net cash outgo of Rs 41,455.39 crore and Rs 90,812 crore savings by the ministries/departments. (*The Economic Times*)



## **Taxation**

### **Centre projects ₹47,000 cr net revenue loss from GST rate rationalisation**

The Centre has projected a net negative revenue impact of around ₹47,000 crore from the ongoing Goods and Services Tax (GST) rate rationalisation exercise, the Finance Ministry informed the Lok Sabha on Monday. Replying to questions in Parliament, the ministry clarified that while the broader rationalisation was expected to lead to a gross revenue implication of about ₹93,300 crore, the shift of certain items from the 28 percent slab to a higher 40 percent tax bracket was estimated to generate additional revenue of nearly ₹45,570 crore. (*Business Standard*)

### **Tax hierarchy sees reshuffle as Odisha, Telangana take unexpected leads**

A shift appears to be underway in India's tax landscape, with smaller states such as Odisha and Telangana emerging as the fastest-growing contributors to indirect and direct tax collections, respectively, challenging the long-standing dominance of traditional economic powerhouses such as Maharashtra, Karnataka, Gujarat and Tamil Nadu. *(Business Standard)*

### **India 'strong champion' of measures against offshore tax evasion: OECD official**

India is a "strong champion" in implementing transparency measures against offshore tax evasion and its recent campaign asking taxpayers to correctly report their undisclosed foreign assets has led to disclosure of properties worth more than Rs 29,000 crore, a top OECD official has said. Head of the Organisation for Economic Cooperation and Development (OECD) Secretariat Zayda Manatta told PTI in an interview that these "notable" outcomes were a result of India's "commitment" to global tax transparency and automatic exchange of information standards. *(The Economic Times)*

### **CBDT flags bogus claims on political and charitable donations**

The Central Board of Direct Taxes Saturday said it has found widespread misuse of tax deductions linked to political donations and charitable contributions and has launched a targeted campaign starting December 12 urging taxpayers to review and correct their income tax returns and withdraw fraudulent claims. It said many taxpayers had claimed deductions for donations to Registered Unrecognised Political Parties (RUPPs) that were later found to be non-operational, non-filers or not engaged in any political activity. *(The Economic Times)*

### **States should improve tax base, prevent revenue leakages: MoS finance**

In order to reverse the declining ratio of their own tax revenue to gross state domestic product, states need to improve the tax base, prevent revenue leakages, and improve tax compliance by leveraging digitisation and information technology, Pankaj Chaudhary, minister of state in the Ministry of Finance, told Parliament on Monday. *(Business Standard)*

### **GST cuts: Insurers still negotiating commission revisions with distributors**

More than two months after rationalisation of goods and services tax (GST) on individual life-insurance premiums and the withdrawal of input-tax credit (ITC), life-insurance companies are still negotiating commission revision with distributors. While revision in commission for the agency channel has been finalised and put into effect, discussion with large bancassurance distributors is on, multiple sources aware of the development said. Smaller insurers have passed it on to their channel partners, a source added. *(Business Standard)*

### **Mid year assessment: GST rate rationalisation to further hit revenues**

Karnataka, which estimated a revenue deficit of ₹19,262 crore at the commencement of 2025-26 financial year, is now expecting the deficit to further increase following the GST rate rationalisation and non-realisation of tax on mines. The revenue deficit — primarily caused by the five guarantee schemes — in 2025-26 budget had come down to 0.63% from 0.96% of the 2024-2025 budget. Considering the growth rate, the government was

estimated to overcome revenue deficit by 2027-28. Due to GST rate rationalisation, the State estimates the revenue shortfall of ₹9,000 crore in addition to the revenue loss of about ₹9,500 crore due to non-merger of Cess. *(The Hindu)*



## National Accounts and State of the Economy

### Can India's national accounts make the grade?

On November 28, the Union Statistics and Programme Implementation Ministry reported that India's real GDP grew 8.2% and the nominal GDP 8.7% in the second quarter of the financial year 2025-26 — the strongest print in six quarters. Just two days earlier, the IMF, in its data adequacy assessment, had given India's national accounts a "C" grade — the second lowest in its four-tier system— noting "shortcomings that somewhat hamper surveillance", even as the overall macro data set earned a "B". The timing underscores a troubling irony. *(The Hindu)*

### Are there gaps in India's economic data?

Estimates of India's gross domestic product (GDP) and, therefore, the rate at which Indian economy is growing, have come under a scanner after the International Monetary Fund (IMF) recently made observations for the second successive year on the quality of the country's national accounts statistics. The IMF gave India's national accounts data an overall rating of 'C' on a four point scale at the end of the annual health check of its members' economies, known as Article IV Consultation. *(BusinessLine)*

### India likely to record about 7% growth in FY26: Gita Gopinath

India's economy is set for robust growth this fiscal year, exceeding initial projections. Former IMF chief economist Gita Gopinath anticipates a 7 percent expansion. Achieving ambitious national goals requires sustained reforms and maintaining high growth rates. Global trade dynamics and US tariff policies are also discussed. India's business environment faces challenges from regulatory complexity. *(The Economic Times)*

### India's GDP to grow 7.5% in FY27, inflation to remain benign, Axis Bank economist says

India's economy is set for strong growth above seven percent in 2026. This surge will be fueled by government reforms and supportive monetary policies. Inflation is expected to remain controlled at around four percent. This allows for continued accommodative monetary policy. Lower borrowing costs and increased investment will also contribute to this positive economic outlook. *(The Economic Times)*



### **RBI Governor asks IDBRT to focus on digital fraud mitigation and banker training**

Reserve Bank of India (RBI) Governor Sanjay Malhotra has asked the Institute for Development and Research in Banking Technology (IDBRT) to focus on developing technologies in applied aspects of banking, prioritising security and ease of use for end customers. “Operational workflows need to be strengthened for portability and user ownership of their information,” he said. The Hyderabad-based institute was established by the RBI. Malhotra, who visited the institute’s campus here on Thursday, asked the employees to work on building an efficient strategy to mitigate and minimise digital frauds to help maintain the trust of the general public in the digital banking space. *(BusinessLine)*

### **SFIO seeks details from IndusInd Bank on derivatives, asset balances**

The Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs, will seek certain details from IndusInd Bank regarding the accounting for internal derivative trades, certain unsubstantiated balances in the “other assets” and “other liabilities” accounts of the Bank, and microfinance interest income/fee income. The Bank, in a regulatory filing, noted that the RBI Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated July 15, 2024, mandate that any fraud reported to the RBI involving an amount of ₹1 crore and above shall also be reported to the SFIO in the same format as submitted to the RBI. *(BusinessLine)*

### **One State, One RRB: Govt unveils unified logo for regional rural banks**

The Finance Ministry on Thursday unveiled a new logo for Regional Rural Banks (RRBs) to signify a single and unified brand identity. On the principle of 'One State One RRB', the Department of Financial Services, Ministry of Finance, has consolidated 26 Regional Rural Banks (RRBs) across 11 states/UTs, effective from May 1, 2025. The reform marks a crucial step toward building stronger and more efficient RRBs. Presently, 28 RRBs continue to serve the nation through an extensive network of over 22,000 branches in more than 700 districts. *(BusinessLine)*

### **OMO auction for injecting ₹50,000 crore gets good response**

The Reserve Bank of India (RBI) received a robust response to its open market operation (OMO) of Government Securities (G-Secs), with Banks seeking to offer more than twice the notified amount of ₹50,000 crore. The OMO, which is aimed at bolstering the banking system’s liquidity, saw banks offering G-Secs worth ₹1,39,104 crore to the RBI. The Central bank accepted offers for the notified amount of ₹50,000 crore. RBI sought to purchase seven G-Secs. Of these, the securities for which it received offers of over ₹20,000 crore were 6.33 percent GS 2035 (₹48,745 crore), followed by 7.18 percent GS 2033 (₹24,126 crore), and 6.54 percent GS 2032 (₹22,423 crore). *(BusinessLine)*

## **RBI announces ₹30,000 crore G-Sec underwriting auction, releases OMO purchase results**

The Reserve Bank of India (RBI) on Thursday announced that an underwriting auction, for the sale of Government Securities amounting to ₹30,000 crore, will be held tomorrow. The apex bank also released the cut-off details for its Open Market Operation (OMO) purchase of Government of India securities conducted today. According to the RBI, the Government of India has notified the sale (re-issue) of two Government Securities through an auction scheduled for tomorrow. The securities on offer include ₹18,000 crore of 6.01 percent government security maturing in 2030 and ₹12,000 crore of 7.09 percent government security maturing in 2074. (*BusinessLine*)

## **AIRBEA flags shortage of small-denomination notes across India**

The All-India Reserve Bank Employees Association (AIRBEA) has called the Central Bank's attention to what it described as an acute shortage of small-denomination currency notes in the country and has requested that it ensure adequate supplies. The shortage is being reported from large parts of the country, Samir Ghosh, General Secretary, AIRBEA, said in a letter addressed to the Deputy Governor of the RBI. Semi-urban and rural areas are the worst hit in this regard. That it should happen at a time when currency circulation is returning to the public, despite disincentives, is unfortunate, Ghosh said. (*BusinessLine*)

## **RBI governor signals rates to stay low for 'long period': Report**

RBI governor Sanjay Malhotra expects the country's interest rates to remain low for a "long period", he told the Financial Times in an interview published on Wednesday. The Reserve Bank of India's (RBI) projections suggested rates "should remain low for a long period of time", Malhotra told the newspaper. Malhotra said the RBI's economic forecast had not taken into account the potential effect of trade agreements currently under negotiation, which if sealed would raise India's economic growth. (*BusinessLine*)

## **Ministry of Corporate Affairs orders SFIO probe into IndusInd Bank citing public interest**

The Ministry of Corporate Affairs (MCA) has ordered an investigation by the Serious Fraud Investigation Office (SFIO) into the affairs of IndusInd Bank Ltd, citing public interest and serious accounting discrepancies flagged by statutory auditors and forensic reports. The move comes even as the Mumbai Police's Economic Offences Wing (EOW) plans to close its preliminary enquiry after finding no evidence of fund siphoning or diversion, sources said. In its order, the Central Government referred to multiple ADT-4 forms filed under Section 143(12) of the Companies Act, 2013 by the bank's statutory auditors. An ADT-4 dated May 12, 2025 flagged accounting discrepancies aggregating about ₹1,959.78 crore for the period from FY2015-16 to FY2023-24. (*The Economic Times*)

## **Government to sell up to 3% stake in Indian Overseas Bank via OFS, sets floor price at Rs 34/share**

The Centre will divest up to 3% stake in Indian Overseas Bank (IOB) through an offer for sale (OFS) that opens on Wednesday, December 17. The government plans to offload up to a 2% stake, or 38,51,31,796 equity shares, on Wednesday through the non-retail

window. The OFS will open for retail investors on Thursday, December 18, with the government retaining the option to sell an additional 1% stake, or 19,25,65,898 shares, via a green shoe option through a separate designated window. *(The Economic Times)*

### **PSU banks still have room to run, but selectivity is key: Mayuresh Joshi**

Indian markets may be grappling with sectoral rotations and stock-specific volatility, but PSU banks continue to draw attention within the financial space. Addressing concerns around whether most of the rally in PSU banks is already behind us, market participants believe the story is far from over, even as certain near-term challenges remain on the radar. Responding to ET Now on whether PSU banks still stand out within the banking pack, Mayuresh Joshi, Head Equity, Marketsmith India said, "Our take is that valuations still remain relatively inexpensive for a whole host of PSU banks and the kind of numbers that they have probably posted and the commentaries that have surrounded a large part of their financial performance in Q2, it gives us the confidence that the next few quarters will be relatively better as well." *(The Economic Times)*

### **FinMin unveils single brand logo for Regional Rural Banks nationwide**

The Finance Ministry on Thursday unveiled a new logo for Regional Rural Banks (RRBs) to signify a single and unified brand identity. On the principle of 'One State One RRB', the Department of Financial Services, Ministry of Finance, has consolidated 26 Regional Rural Banks (RRBs) across 11 states/UTs, effective from May 1, 2025. The reform marks a crucial step toward building stronger and more efficient RRBs. Presently, 28 RRBs continue to serve the nation through an extensive network of over 22,000 branches in more than 700 districts. *(Business Standard)*

### **Govt to use green-shoe option to divest 3% stake in Indian Overseas Bank**

The government on Wednesday decided to exercise the green shoe option to divest a higher 3 per cent stake in Indian Overseas Bank through offer-for-sale following overwhelming response from investors on the first day of subscription. The OFS of Indian Overseas Bank (IOB) opened for subscription on Wednesday for non-retail investors at a floor price of Rs 34 per share. "Offer for Sale in Indian Overseas Bank received good response from non-retail investors today. "Against about 34.66 cr shares on offer, demand was received for more than 41 cr shares. The government has decided to exercise the green shoe option. Retail investors get to bid tomorrow 18th December 2025," Department of Investment and Public Asset Management (DIPAM) Secretary Arunish Chawla said in a post on X. *(Business Standard)*

### **Bank credit growth resilient at 11.5% on year, reflects strengthening economic activity**

The Ministry of Finance stated in a latest update that bank credit growth in India continues to remain resilient, reflecting sustained lending momentum across key segments of the economy. As per the latest data released by the Reserve Bank of India, total bank credit stood at Rs 195.3 lakh crore as of 28 November 2025, registering a year-on-year growth of 11.5%. Credit growth has consistently remained above 10% in recent months, indicating stable demand conditions and continued flow of credit to productive sectors of the economy. The expansion in bank credit has been driven primarily by robust demand from the retail and MSME segments, supported by improving consumption trends, rural economic activity and the positive impact of recent GST rate rationalisation on demand conditions. *(Business Standard)*



### **Gems, jewellery exports up 20% on lower base, better realisation**

Gems and jewellery exports increased 20 percent in November to \$2.51 billion against \$2.10 billion logged in the same period last year on the back of a lower base, better realisation and market diversification due to the US trade tariffs. In rupee terms, it was up 26 percent to ₹22,300 crore (₹17,709 crore) due to currency depreciation, according to data released by the Gem and Jewellery Export Promotion Council of India. On the other hand, the imports of gems and jewellery jumped 36 percent to \$1.89 billion (\$1.39 billion) while in rupee terms it increased 43 percent to ₹16,835 crore (₹11,757 crore). *(BusinessLine)*

### **Electronic goods exports surge in April-Nov fuelled by growth in US market**

India's export of electronic goods surged in April-November 2025, rising 37.99 per cent to \$31.10 billion from \$22.53 billion in April-November 2024, per government data. Country-wise export surge during the period was led by the US, which emerged as India's largest and fastest-growing market for electronic goods. Exports to China, too, increased sharply, per government data. *(BusinessLine)*

### **US tariffs: Gem, jewellery exporters seek extension of RBI moratorium**

Gem and jewellery exporters are on the tenterhooks with the RBI's moratorium on bank loans ending in December. To support the industry hit by US tariffs, the RBI allowed banks to defer term loan payments and working capital interest by converting it into a funded loan for later repayment, and extended export credit tenure to 450 days for continuity. The move helped the industry manage cash flows by deferring payments, converting interest and increasing credit flexibility, besides preventing defaults and bring stability in the sector. *(BusinessLine)*

### **Trade deficit falls to \$6.6 bn. in Nov. due to merchandise export growth**

India's trade deficit plummeted by more than 61% in November to \$6.6 billion, due to strong growth in merchandise exports and a fall in merchandise imports. Notably, India's exports to the U.S. in November 2025 were higher than in October 2025, as well as in November last year. Data released by the Ministry of Commerce and Industry showed that total exports grew 15.5% to \$74 billion in November, while total imports slid 0.6% to \$80.6 billion. The further disaggregated data showed that merchandise exports grew 19.4% to \$38.1 billion in November. Merchandise exports had fallen 11.8% in October. *(The Hindu)*

### **Near-universal duty-free access to Oman to benefit exporters: FIEO**

The India-Oman Comprehensive Economic Partnership Agreement (CEPA) would strengthen India's export competitiveness across goods and services, enhance professional mobility, and support inclusive and employment-led growth, The

Federation of Indian Export Organisations (FIEO) said in its initial comment after signing of the deal. The CEPA secures unprecedented market access for Indian exports, with zero-duty access on 98.08% of Oman's tariff lines, covering 99.38% of India's exports by value. This will significantly enhance the competitiveness of Indian goods and benefit key labour-intensive sectors such as textiles and apparel, leather and footwear, gems and jewellery and sports goods. *(The Hindu)*

### **Rupee breaches 91 level, turns weakest Asian currency in '25**

The rupee on Tuesday breached one more psychological mark by depreciating beyond 91 to 91.14 on the spot market against the U.S. dollar during intraday trade, making it one of the weakest major currencies globally this year and the weakest in Asia in 2025. But it gained a bit during the day to close at 90.93 as compared with its previous close of 90.78, down nearly 16 paise, a fresh all time low. *(The Hindu)*

### **India's textile, apparel exports rise 9.4% to \$2.86 bn in November: Govt**

India's textiles and apparel exports, including handicrafts, stood at \$2,855.8 million in November 2025, registering a 9.4 per cent year-on-year growth, the government said on Wednesday. The country's outbound shipments from the textiles sector stood at \$2,601.5 million in November 2024. The US, which has imposed steep 50 percent tariffs on Indian goods, is the largest export market for India's textile and apparel industry. In 2024-25, the overall size of the textile and apparel sector is estimated at \$179 billion, comprising the domestic market of \$142 billion and exports worth \$37 billion. *(Business Standard)*

### **Despite US tariffs, India's seafood exports jump 21% during April-October**

India's seafood exports recorded strong double-digit growth in the first seven months of the current financial year, even as the sector faced tariff-related headwinds in the United States. According to the figures compiled by the Directorate General of Commercial Intelligence and Statistics under the Department of Commerce, the value of seafood exports increased by 21 percent to ₹42,322 crore (\$4.87 billion) during the period. In comparison, exports were valued at ₹35,107.6 crore (\$4.20 billion) in the corresponding months of the previous year. *(Business Standard)*

### **India's exports to China rise on petroleum and electronics shipments**

Petroleum products and electronic goods are helping India increase its exports to China, with which it has a huge trade deficit of about \$ 100 billion, according to the commerce ministry data. India's exports to China rose from \$ 9.20 billion in April-November 2024 to \$ 12.22 billion in April-November 2025, an increase of 32.83 per cent year-on-year. Petroleum products emerged as the largest contributor in the exports to China. It was followed by electronic goods, marine products, and oil meals, the data showed. *(Business Standard)*

### **India's agri, processed food items to get duty-free access to Oman under trade pact**

India and Oman have signed a new trade agreement. This pact grants duty-free access to Oman for Indian agricultural and processed food products. Items like honey, cashews, and meat will benefit. Indian consumers will also see cheaper dates from Oman. This agreement is expected to significantly boost India's exports to Oman. *(The Economic Times)*

## **India and Russia are creating a framework to boost bilateral trade to \$100 billion by 2030: Envoy**

India and Russia are set to significantly increase trade. A new strategic economic plan targets \$100 billion in bilateral trade by 2030. Trade has already seen substantial growth. The plan identifies key sectors and agencies for cooperation. Russia seeks to diversify trade beyond energy and defense. Moscow offers digital solutions for India's Smart City program. *(The Economic Times)*



## **Agriculture and Rural Economy**

### **Parliament clears VB-G RAM G Bill, replacing MGNREGA amid Opposition protests**

Parliament has passed the VB-G RAM G Bill. This new law replaces the MGNREGA. It offers 125 days of guaranteed rural wage employment per household. Wages will be paid weekly or within 15 days of work completion. The VB-G RAM G Bill seeks to replace MGNREGA, which has guaranteed 100 days of unskilled wage employment to rural households since 2005. According to the government, the proposed legislation aims to expand the scope of rural employment while aligning wage work with infrastructure creation, natural resource management and livelihood generation. *(The Economic Times)*

### **Survey flags hazardous pesticide use in South Asia; Maharashtra's Yavatmal cotton belt under spotlight**

A new report by Pesticide Action Network Asia Pacific (PANAP) has documented widespread pesticide use and exposure among farmers in Bangladesh, India, Laos and Vietnam, with India showing the highest proportion of highly hazardous pesticides (HHPs). The findings are part of 'From the Ground Up: Documenting Pesticide Use in Bangladesh, India, Laos & Vietnam (2025)', based on responses from 4,392 farmers across the four countries. *(The Hindu)*

### **Rural women among worst affected by climate change: Govt tells Lok Sabha**

The Indian government stated that climate change significantly increases the workload and vulnerability of women, particularly in rural areas. Erratic weather events harm agriculture, impacting the 65% of female workers reliant on this climate-sensitive sector. The government has launched various schemes to reduce women's exposure to climate risks and enhance their adaptive capabilities. *(ThePrint)*

### **Farm sector's continued poor performance, an area of concern for Tamil Nadu**

Agriculture is the weak spot of Tamil Nadu's economy as the sector has registered only a negative growth in the last two years (2023-24 and 2024-25), according to a perusal of the Reserve Bank of India (RBI)'s latest handbook of statistics on Indian States. However, thanks to the far better performance of the secondary and tertiary sectors, the State has been able to grow in an impressive manner. For the purpose of this study, constant prices (base: 2011-12) have been considered. *(The Hindu)*

### **India's agri, processed food items to get duty-free access to Oman under trade pact**

A host of India's agricultural and processed food items, like natural honey, cashew, potatoes, boneless meat and bakery products, will get duty-free access to Oman under the newly signed trade pact, which is expected to boost exports of these goods. Oman has offered to remove duties on various animal products, such as cheese, curd, milk and cream, frozen fish, butter, meat, yoghurt, processed food like bread, pastry, cakes, chocolate, sugar confectionery, and mineral water; and animal and vegetable fats and oils. (*The Economic Times*)

### **Experts call for shaping inclusive markets for small farmers to enhance livelihood security**

Experts and agricultural practitioners called for shaping fair and inclusive markets for small and marginal farmers to enhance their livelihood security and strengthen local food systems at a national conference here over the weekend. An emphasis was also laid on ecological farming in Rajasthan. The two-day conference, titled "Food systems transformation: From ecological farms to fair markets", was organised by Banswara-based voluntary group Vaagdharma, working on tribal livelihood issues, in collaboration with Germany's Welthungerhilfe (WHH) and the Centre for World Solidarity. (*The Hindu*)



## **Industry, Manufacturing, Services and Technology**

### **16,000 MSMEs contributing to defence sector's growth: Mandaviya**

As many as 16,000 micro, small and medium enterprises (MSMEs) are playing a crucial role in India's defence ecosystem, contributing significantly to the sector's growth, Union Minister Mansukh Mandaviya. Addressing a press conference on *atmanirbharta* in the defence sector, he said indigenous defence production had grown by 174 per cent from ₹46,429 crore in 2014-15 to ₹1,27,434 crore in FY 2023-24. (*BusinessLine*)

### **Auto component-makers see mixed fortunes as product criticality helps protect export orders**

More than three months after the US slapped tariffs on Indian exporters, it has been a mixed bag for the automotive and engineering components sector. Companies with a portfolio of niche/critical parts and entrenched customer relationships and those attracting tariff rates less than 50 percent have been able to manage the situation better. However, firms making generic parts are seeing diversion of orders to other competing markets, leading to erosion of margins and tough financial position. (*BusinessLine*)

### **The good, bad, and ugly of India's aviation sector in 2025**

2025 will be remembered as a year of disruption and disasters for civil aviation in India with helicopter crashes in Uttarakhand, Air India Boeing 787 accident and IndiGo's mass cancellations. Overall, domestic traffic growth was slow (4 percent year-on-year rise in first 10 months) and costs were higher due to the weakening of the Indian rupee. The closure of Pakistan airspace following Operation Sindoor, too, put a strain on Air India's (AI) financial performance given its extensive Europe and US network. (*BusinessLine*)

### **Manufacturing growth hinges on ending NOCs**

Redundant NOCs (No Objection Certificate) undermine Prime Minister's Make in India Atmanirbharta vision and risk derailing the medical device sector's global ambitions defined under National Medical Device Policy 2023. India's steady climb in the global Ease of Doing Business rankings reflects a maturing ecosystem where digital approvals and streamlined processes are becoming the norm. Yet, beneath this progress lies a persistent obstacle: the culture of arbitrary No-Objection Certificates (NOCs). These requirements, often not anchored in law, stem from a bureaucratic mindset that equates control with compliance. The result is suppressed entrepreneurial energy, delayed operations, and weakened competitiveness—particularly in sunrise sectors such as medical devices. *(BusinessLine)*

### **Indian shrimp industry to regain competitive edge as global pricing normalises**

India's shrimp industry is entering a structurally stronger phase as long-standing competitive distortions in global supply unwind and key end markets reopen, according to an analytical report by InCred Equities. Ecuador, once the most disruptive force in global shrimp pricing, has seen its artificial cost advantage erode, enabling global shrimp pricing dynamics to turn more balanced and raising India's competitiveness. Indian producers now operate on firmer ground, supported by scale, traceability and growing integration across the value chain. *(BusinessLine)*

### **Power Ministry lists 16 imported items to achieve self-sufficiency**

The Power Ministry has identified 16 very critical items, such as subsea cables and certain specialised coated steel sheets, which are imported at present, to create a domestic manufacturing roadmap for achieving self-sufficiency. The list has been prepared by the Central Electricity Authority (CEA), in consultation with the Indian Electrical and Electronics Manufacturers' Association (IEEMA) and industry players such as ABB, Hyosung, Polycab, Dong-Woo Quantum India, Sterlite, Schneider and Toshiba. *(BusinessLine)*

### **Narayana Hrudayalaya: What should investors do?**

Narayana Hrudayalaya has built a strong base of operations in India and Cayman Islands, and is eyeing the next phase of growth. Recently-acquired UK hospital and domestic capacity expansion should also drive growth for the company in the next three-five years. The company has added insurance and clinics business across geographies, which are a drag on core margins. But as these businesses scale up, the subdued margins of the consolidated entity should improve. *(BusinessLine)*



### **Kannur varsity presents ₹373.81-crore Budget with focus on innovation, student welfare**

Kannur University on Thursday presented its ₹373.81-crore Budget for the 2026-27 financial year, with a strong thrust on innovation centres for nurturing entrepreneurship, strengthening academic research activities, digital transformation, and students welfare measure. The Budget tabled by finance standing committee convener Dr. Sajith P.K. projected an expenditure of ₹366.80 crore and a closing surplus of ₹7.01 crore. The varsity expects ₹47.76 crore from the State government under the Plan head, based on which various development and academic initiatives have been proposed. *(The Hindu)*

### **Collapsing roads and retaining walls of newly developed NH stretches in Kerala cause concern among residents**

On December 5 afternoon, motorists and other passengers on the service road beneath the under-construction National Highway 66 stretch at Mylakkadu in Kollam were jolted by the sudden disintegration of the reinforced soil (RS) wall of the embankment, which spewed soil and rubble onto the road. As they ran for their lives abandoning their vehicles, it seemed like the repeat of a similar collapse at Kooriyad in Malappuram earlier. These incidents raise questions about the safety of the RS structures built and being built at various parts of the State. Experts and residents say lack of rigorous soil testing and inadequate geotechnical investigation are the primary causes of the collapses. *(The Hindu)*

### **Can Vizhinjam port change the future of India's global trade?**

Vizhinjam, a former fishing village near Thiruvananthapuram, is transforming into India's first deep-water container trans-shipment hub. The project, supported by multiple governments and the Adani Group, aims to reduce India's logistics costs and create thousands of jobs. It will connect to global shipping routes, boosting Kerala's economy and the country's export capabilities. *(The Economic Times)*

### **Kerala Startup Mission to run Innovation Train for young innovators to ideate solutions**

Kerala Startup Mission is to take aboard young innovators on an "Innovation Train" from Thiruvananthapuram to Kasargod to ideate solutions for grassroot level problems. The train, a first of its kind initiative in the country, is set to flag off on December 21 and reach Kasargod the following day as part of the IEDC (Innovation and Entrepreneurship Development Centre) Summit 2025, which will be held in that district on that day. *(BusinessLine)*

### **VB-G-RAM G Bill will adversely hit Kerala: Finance Minister Balagopal**

Kerala Finance Minister K. N. Balagopal has warned that the proposed Viksit Bharat – Guarantee for Rozgar and Ajeevika Mission (Gramin) Bill, which seeks to replace MGNREGA, could have serious adverse effects. He said the move may lead to the loss of

employment for lakhs of workers in Kerala and across the country. Last year, around 13.7 lakh families in Kerala participated in MGNREGA, with total enrolment of about 22 lakh. [\(BusinessLine\)](#)

### **Aster DM Healthcare announces ₹125 crore healthcare development project in Kottakkal, Kerala**

Healthcare provider Aster DM has announced a ₹125 crore healthcare development project for the Kottakkal region, marking one of the largest private healthcare investments in the region. The investment will transform the current facility into a 500-bed multispeciality hospital, with an immediate addition of 200 beds. [\(BusinessLine\)](#)

### **Freyr Energy launches Christmas gold offer for first-time solar buyers in Kerala**

Aimed at fulfilling its vision of achieving 1 crore rooftop solar installations by March 2027, Freyr Energy -- a leading rooftop solar energy companies-- has launched a festive offer for Christmas. As part of this initiative, first-time solar buyers will receive 1 gram of gold as a complimentary gift with every rooftop solar installation booked during the offer period. [\(BusinessLine\)](#)

### **Foundation stone laid for research centre at Kerala's Bio 360 Life Sciences Park**

Kerala Minister for Industries, Law and Coir, Government of Kerala P Rajeev has on Monday laid foundation stone for a research and manufacturing centre for the Centre for Research on Molecular and Applied Sciences (CRMAS) at the Bio 360 Life Sciences Park, here. This kicks off the first of the two phases of development of the new facility, an official spokesman said. The centre will span 15,800 sq ft, featuring modern state-infrastructure, of which 8,600 sq ft will house translational research laboratories, and the remaining 6,000 sq ft for manufacture of Ayush products at CRMAS. [\(BusinessLine\)](#)

### **Kerala Startup Mission, German consortium partner to boost deep-tech start-ups**

Kerala Startup Mission (KSUM) has signed an MoU with NXTGN Startup Factory of Baden-Württemberg, Germany, aimed at supporting deep-tech start-ups on both sides. The agreement was finalised at Huddle Global 2025, the state's flagship start-up festival. The MoU was signed by Kerala Startup Mission CEO Anoop Ambika and Thomas Neumann, Head of the Karlsruhe Institute of Technology, Germany, in the presence of Kerala Chief Minister Pinarayi Vijayan, who addressed 'The Kerala Future Forum' during the event. [\(BusinessLine\)](#)

GULATI INSTITUTE OF FINANCE AND TAXATION  
GIFT Campus, Chavadimukku,  
Sreekariyam, Thiruvananthapuram, Kerala - 695017  
Phone : 0471 2596970, 2596980, 2590880, 2593960  
Fax : 0471 2591490  
Email : giftkerala@gmail.com



An Autonomous Institution of Government of Kerala

**Disclaimer:** This compilation on important news items relating to Finance, Taxation and Indian economy by GIFT from various newspapers and e-resources aims at providing an update to our esteemed readers. GIFT does not guarantee the accuracy or validity of the information provided. It is not a commercial product and all the copyrights remain with those of the respective copyright holders. Images are sourced from the web.